

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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UNITED STATES OF AMERICA, :  
                                :

Plaintiff,         :  
                                :

-against-                 :         **12 CR 493 (NRB)**

TAI NGUYEN,             :  
                                :

Defendant.         :  
                                :

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**DEFENDANT'S SENTENCING MEMORANDUM**

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**INTRODUCTION**

Defendant Tai Nguyen submits this Memorandum in mitigation of sentence. Mr. Nguyen pleaded guilty to a one-count Information charging him with conspiracy to commit insider trading, in violation of 18 U.S.C. §371, 15 U.S.C. §§78j(b) and 78ff, and 17 CFR §§240.10b-5. The Probation Department, adopting the provisions of the parties' plea agreement, calculates Mr. Nguyen's Guidelines sentencing range to be 46 to 57 months' imprisonment.<sup>1</sup>

Mr. Nguyen is a devoted husband and father of two teenagers. He has no criminal record. His background and actions outside the charged conduct present exceptional

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<sup>1</sup> I have reviewed the Presentence Report ("PSR") with my client. We have no objection to its content or its guidelines calculation.

grounds for the Court's leniency. His conduct: wheedling inside information from his sister—an assistant comptroller at Abaxis, a biotech company—on four occasions and giving it to Noah Freeman and Sam Barai who profited wildly from it, has done terrible harm. He faces prison, he has greatly damaged his relationships with his sister and other siblings, he faces a \$400,000.00 forfeiture in this case as well as still-pending civil SEC charges, and his sister has been fired and sued separately by the SEC. It is an understatement to say that Tai Nguyen stands before the Court deeply chastened and remorseful.

For the reasons set forth below, I believe that the Guidelines sentence should not be imposed here. He is not a dangerous man, who needs to be imprisoned to protect the public. He has acknowledged the appropriateness of punishment through his acceptance of responsibility and consent to forfeiture. He has been punished in a unique fashion by having done terrible damage to his relationships with his siblings, who correctly blame him for his sister's loss of employment. A short term of imprisonment adequately reflects the seriousness of this kind of offense, as exemplified by many of the sentences already meted out in similar—and in some cases far more egregious—cases.

In sum, a sentence below the applicable guideline range is “sufficient, but not greater than necessary,” 18 U.S.C. §3553(a), to achieve the sentencing goals of punishment, deterrence and rehabilitation, and ensures Mr. Nguyen’s continued rehabilitation, which the Supreme Court has acknowledged “may be highly relevant to several of the §3553(a) [sentencing] factors.” *Pepper v. United States*, 131 S.Ct. 1229, 1242 (2011).

## **APPLICABLE SENTENCING STANDARD**

As the Supreme Court reaffirmed in *Pepper*, the cornerstone of federal sentencing is that the sentencing judge “consider every convicted person as an individual and every case as a unique study in the human failings that sometimes mitigate, sometimes magnify, the crime and the punishment to ensue.” *Id.*, 131 S.Ct. At 1240 (*quoting Koon v. United States*, 518 U.S. 81, 113 91996)). That process is embodied in the advisory sentencing system instituted by the Supreme Court’s decision in *United States v. Booker*, 125 U.S. 738 (2005), which “breathes life into the authority of district court judges to engage in individualized sentencing within reason in applying the §3553(a) factors to the criminal defendants that come before them.” *United States v. Jones*, 531 F.3d 163, 170 (2d Cir. 2008)(district court must make an “individualized assessment” of the sentencing warranted by §3553(a) “based on the facts presented” and “may not presume that the Guidelines range is reasonable.”) The deference granted a district court’s determination springs from its “singular advantage of actual and extensive sentencing experience,” as well as its familiarity with the individual case and the individual defendant before it.” *Id.* at 170.

Consistent with the principle of individualized sentencing is the wide discretion afforded the sentencing judge “in the sources and types of evidence used to assist in determining the kind and extent of punishment to be imposed,” in particular, “the fullest information possible concerning the defendant’s life and characteristics.” *Pepper*, 131 S.Ct. At 1240 (“[p]ermitting sentencing courts to consider the widest possible breadth of information about a defendant ensures that the punishment will suit not merely the offense but the

individual defendant.”) Indeed, as *Pepper* points out, this principle is codified in 18 U.S.C. §3661 (“[n]o limitation shall be placed on the information concerning the background, character, and conduct of a person convicted of an offense which a court of the United States may receive and consider for the purpose of imposing an appropriate sentence.”)

### **THE OFFENSE CONDUCT**

Over the last several years, the Office of the United States Attorney for the Southern District has made significant and highly-publicized inroads into the eradication of insider trading, which heretofore had been suspected to be endemic to Wall Street and among hedge funds. Those suspicions have been amply confirmed: to date, more than seventy separate prosecutions have been commenced, virtually all of which resulted in guilty pleas or trial convictions, and the imposition of imprisonment and large financial penalties on more than fifty of them.<sup>2</sup>

Tai Nguyen committed the same crime, for which he will now be punished. But apart from that fact, he is unlike virtually all of those defendants. The series of Southern District prosecutions involved, in general, experienced and wealthy Wall Street insiders, whose business model involved the corrupt acquisition of material, non-public information (hereinafter “MNPI”) from corporate insiders, and the subsequent trading on that information in pursuit of immense personal gain. The money managers and hedge fund

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<sup>2</sup> I have attached, as Exhibit A, a chart submitted last month to Judge Rakoff in connection with the sentencing of Wesley Wang, in *United States v. Wang*, 12 CR 541 (JSR). That chart summarized the cases and sentences imposed in those cases. So far as counsel is aware, the accuracy of the chart was not questioned by either Government counsel or the Court in connection with Mr. Wang’s sentencing.

operatives fed on that information day in and day out, for profit, while corporate insiders who stole the information in violation of their fiduciary duties were paid off via “consulting” arrangements. (*See, e.g.*, the prosecution of several defendants employed at Primary Global Research, a stock analyst and consulting consortium which was, in essence, a clearinghouse for the brokering of MNPI. *United States v. Fleishan, et al.*, 11 CR 32 (JSR)).

Tai Nguyen never worked on Wall Street, never worked at a hedge fund. He is an electrical engineer, with a subspecialty in semiconductors. After receiving his B.S. in electrical engineering from Purdue in 1984, he worked for IBM, for Sigma, for Cirrus, and for other electrical engineering firms designing and fabricating chipsets for drives, graphics chips and so on. When the semiconductor industry contracted in approximately 2001, he lost that employment and began working as a tech stock analyst for several independent financial institutions, as set forth in the PSR at ¶¶71-74. In 2005 he was working as a semiconductor and tech stock research analyst at Susquehanna International Group, but he did not pass a required licensing exam and was let go. He then formed his own research company—Insight Research LLC—to provide consultancy services to investors seeking analysis of semiconductor companies. Insight employed one person: Tai Nguyen. Its address was Tai’s home.

Meanwhile, Sam Barai, Noah Freeman and Donald Longueiul, three close friends, were research analysts and portfolio managers for separate hedge funds.<sup>3</sup> Mr. Barai was a

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<sup>3</sup> All three have been indicted. *United States v. Freeman and Barai*, 11 CR 116 (DAB); *United States v. Longueiul*, 11 CR 161 (JSR). Messrs Freeman and Barai are cooperating and have not yet been sentenced; as discussed in more detail below, Mr. Longueiul was sentenced, on 7/29/11, to a 30-month term of imprisonment.

porfolio manager at Tribeca Capital Management, and later became the principal at Barai Capital Management; Mr. Freeman was a research analyst at Sonar Capital Management and later became a portolio manager at SAC Capital. Mr. Longueiul worked for a hedge fund named Empire Capital. These three men were extremely close. They regularly met and had conference calls sharing their inside information with one another, shared the costs of their “research consultants,” and discussed (and implemented) many methods to elude surveillance of the SEC and law enforcement investigators, a practice which allowed their activities to continue without hindrance for years.

Mr. Barai had met Mr. Nguyen, and in approximately 2005 hired Mr. Nguyen’s firm (Insight) to provide analysis of tech stocks, for a consultancy fee of \$8,000 per month. Mr. Barai also found it useful to use Mr. Nguyen to launder his money, which he accomplished by having Mr. Nguyen bill Mr. Barai’s management firm at the monthly rate of \$20,000, and then having him kick back the extra \$12,000 to Barai, in cash.

Mr. Nguyen, having recently been laid off and just starting his own research firm, was eager to impress Barai and Freeman with his investment savvy and his concomitant future utility to them. But his knowledge and utility was based, at first, solely on his complete familiarity with the semiconductor industry and his experience as a research analysts covering those stocks. He had never obtained MNPI from anyone, nor imparted it to Barai, Freeman, or anyone.

That changed, however, in December 2005, when Mr. Nguyen’s older sister, Thana Bao, began working for a company called Abaxis, a publicy-traded biotech firm. She was

hired as an assistant comptroller, reporting directly to the company's CFO, and as such, had access to MNPI. And on six occasions, between early 2006 and mid-2008, Mr. Nguyen obtained information from her; he then traded on it himself (earning \$147,000), and passed it on to Barai and Freeman at their respective hedge funds, who proceeded to make a killing (\$6,200,000.00). Ms. Bao was initially quite reluctant to impart this information to her brother; indeed, she told him initially that she couldn't. But Mr. Nguyen overcame her opposition by telling her that he only needed it to confirm the accuracy of the financial model he was creating in order to provide good advice to his customers.<sup>4</sup> On some occasions, however, his sister answered Mr. Nguyen's requests for MNPI without objection.

Mr. Nguyen never had any MNPI other than that he obtained some six times from his sister, and he never provided the information he did receive to anyone other than Barai and Freeman. He never paid his sister for the information, nor did she ever seek such payment.<sup>5</sup>

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<sup>4</sup> Mr. Nguyen was, in fact, attempting to develop an accurate model to predict Abaxis earnings. During the relevant time period, he made a prediction to Barai and Freeman based not on MNPI, but on his model. His prediction was wrong, and Barai and Freeman lost millions. Thereafter, in part to make up for their losses, Mr. Nguyen dispensed with his flawed model and again approached his sister, obtaining accurate numbers from her to impart to Barai and Freeman.

<sup>5</sup> The wrongdoing began to unravel some time in 2010, when Barai and Freeman began cooperating with the United States Attorney's Office. Their cooperation became public by February 2011, when they simultaneously were arraigned, waived indictment, pleaded guilty to felony Informations, and were immediately released. They have not yet been sentenced.

**A NON-GUIDELINES SENTENCE IS WARRANTED UNDER §3553**

The Probation Department recommends a non-Guidelines sentence in part on the grounds of Aberrant Behavior<sup>6</sup> Probation concludes that Mr. Nguyen's conduct was "inconsistent with his otherwise stable and law-abiding existence." It further concludes that his guidelines, driven largely by gains made by others, is "excessive," presumably because the enormous gains made by others, though "Relevant Conduct" under §1B1.3, overstate Mr. Nguyen's culpability and any likelihood of recidivism.

We agree with both of these conclusions. But we also think that 18 U.S.C. §3553(a)(6), the need to avoid unwarranted sentencing disparities, is easily applicable to Mr. Nguyen's case. As noted, a list of sentences imposed in this Court in connection with the dozens of recent insider-trading convictions is attached to this memorandum. But I wish to highlight two sentences in particular: James Fleishman (*United States v. Fleishman*, 11 CR 32 (JSR)) and Donald Longueiul (*United States v. Longueiul*, 11 CR 161 (JSR)). Both of those defendants received sentences of 30 months' imprisonment—the amount recommended by Probation for Mr. Nguyen—but both involved much more egregious and long-term conduct, and, I submit, defendants much less deserving of the court's leniency.

Mr. Fleishman was the sales manager for the expert networking firm Primary Global Research, the entity which was the conduit for corporate insiders to sell inside information to hedge funds and Wall Street investment advisers for a fee. For at least the years 2006

<sup>6</sup> It notes that the Aberrant Behavior Policy Statement (USSG §5K2.20) applies only to single criminal transactions, unaccompanied by significant planning, thus foreclosing applicability to a fraud case involving repeated acts and at least a modicum of foresight, as here.

through 2010, Mr. Fleishman recruited hedge fund clients and connected them to industry insiders, earning commissions of at least \$829,000 between 2008 and 2010. Mr. Fleishman never accepted responsibility for his wrongdoing, but proceeded to trial and was convicted. Deviating from a guidelines range of 87 - 108 months, Judge Rakoff imposed a sentence of 30 months' imprisonment.

Donald Longueiul, as noted above, was a hedge fund portfolio manager, and a friend of—and coconspirator of—Barai and Freeman. Between at least 2006 and 2010, while working at a series of different hedge funds, he obtained MNPI and enabled the funds to earn millions of dollars in profits. He personally garnered between \$1,000,000 and \$2,500,000 in ill-gotten gains; furthermore, he stipulated as part of his guilty plea that he obstructed justice by destroying his computer hard drive as his arrest became imminent. From a stipulated guidelines range of 46 - 57 months, Judge Rakoff imposed 30 months' imprisonment.

Neither of these defendants are fairly comparable to Mr. Nguyen, and I therefore believe that a comparable sentence would be unwarranted. Unlike Tai Nguyen, they were seasoned professionals, who engaged in this conduct for years and years. Unlike Tai Nguyen, who had one well-placed relative whom he exploited—and who neither sought nor obtained compensation—they recruited additional hedge fund coconspirators as they went along, and paid off the corrupt insiders that were employed by PGR. They profited enormously from their conduct, many times more than did Mr. Nguyen.

I therefore respectfully submit that punishing Mr. Nguyen at the same level as either

of those defendants would be an injustice.

### **THE DEFENDANT**

Mr. Nguyen's history is described in detail in the PSR. That his human failing—opportunistically exploiting his sister to curry favor with two corrupt portfolio managers—now jeopardizes the otherwise quiet, hard-working and law-abiding family life he has built since coming here, is unspeakably sad.

He was born in Saigon during the Vietnam war. He and eleven other family members came to the United States in 1975 as refugees, sponsored by the Catholic church. They arrived in possession of the clothing they wore and nothing else, and spoke not one word of English. Supported only by their mother, who found work cleaning bowling alleys,<sup>7</sup> the family studied assiduously, and acquired English through remedial language courses at night. Tai graduated high school at 18, and obtained his B.S. from Purdue University in 1984. The family, which, prior to this case, at least, was extremely close-knit, lived together (or close to one another), and are all devoutly religious. All of Tai's siblings have built successful lives of their own. (PSR ¶50.)

He has been married to Rachelle Arcayena since 1995, and they are the parents of a daughter and a son aged 15 and 14, respectively.

And as the Court knows from the PSR, Pretrial Services notes that their home—worth less than the amount owed on it—is on the verge of foreclosure in Oregon.

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<sup>7</sup> Mr. Nguyen's father had become disabled in Vietnam, when half his body was badly burned in an automobile accident. In addition, he suffered from Parkinson's disease. (PSR ¶51.)

In sum, Mr. Nguyen's greedy and stupid decision to exploit his sister's position to his own advantage, and to garner credibility as an analyst in the eyes of Barai and Freeman, is a personal and family catastrophe. He has brought pain and suffering on his wife, on his sister and other siblings, and soon on his two teenage children. I have spent considerable time with the Defendant and wish to say that there is never a moment that he is not utterly remorseful and contrite.

I therefore respectfully request that the Court impose a sentence below the otherwise applicable Guidelines sentencing range.

Respectfully submitted,



David Wikstrom

# **EXHIBIT A**

| Name             | Judge                  | Sentence  | Date       | Job                    | Conduct   | Charges   | Cooperator  | Trade personally   | Make money | Source  |
|------------------|------------------------|---|------------|------------------------|---|---|---|--|------------|---|
| Michael Cardillo | Judge Jed Rakoff       | 3 years probation, \$291,189 forfeiture                     | 10/25/2012 | Galleon Group          | Portfolio manager at  | Executed trades based on inside info  | Pled guilty to one count of conspiracy to commit securities fraud and one count of securities fraud | Yes  | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/October-12/CardilloLoSantencingPr.pdf">http://www.justice.gov/usao/nys/presreleases/October-12/CardilloLoSantencingPr.pdf</a>   |
| Rajat Gupta      | Judge Jed Rakoff       | 2 years prison, 1 year supervised release, \$5 million fine | 10/24/2012 | McKinsey chairman      | Managing partner of   | Disclosed inside information he acquired as board member of Goldman Sachs and Procter & Gamble      | Repeatedly traded on inside information   | Found guilty after jury trial of one count of conspiracy to commit securities fraud and three counts of securities fraud | No         | <a href="http://www.justice.gov/usao/nys/presreleases/October-12/GuptaSentencingPr.pdf">http://www.justice.gov/usao/nys/presreleases/October-12/GuptaSentencingPr.pdf</a>   |
| Raj Rajaratnam   | Judge Richard Holwell  | 11 years prison, \$53,816,434 forfeiture, \$10 million fine | 10/13/2011 | Galleon Management     | Provided inside information about Intel to Rajaratnam in exchange for cash and Rajaratnam's use of Goel's brokerage account | Pled guilty to one count of conspiracy to commit securities fraud and one count of securities fraud | Five counts of conspiracy to commit securities fraud, nine counts of securities fraud               | Yes  | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/May-11/RajaratnamAlverdicPr.pdf">http://www.justice.gov/usao/nys/presreleases/May-11/RajaratnamAlverdicPr.pdf</a>   |
| Rajiv Goel       | Judge Barbara Jones    | 2 years probation, \$266,649 forfeiture, \$10,000 fine      | 9/24/2012  | Intel executive        | Passed along and received from Zhu Goffer and Thomas Hardin, traded on inside information                                   | Pled guilty to conspiracy to commit securities and securities fraud                                 | Pled guilty to one count of conspiracy to commit securities fraud and one count of securities fraud | Yes  | No         | <a href="http://www.famag.com/fa-news/10678-ex-goldman-sachs-employees-spared-prison-for-alleged-insider-probe.html">http://www.famag.com/fa-news/10678-ex-goldman-sachs-employees-spared-prison-for-alleged-insider-probe.html</a> |
| Gautham Shankar  | Judge Richard Sullivan | 3 years probation, \$25,000 fine, \$448,437 forfeiture      | 4/18/2012  | Trader at Schottenfeld | Provided information on McKinsey clients to Rajaratnam in exchange for cash and returns on Kumar's Galleon investments      | Pled guilty to one count of conspiracy to commit securities and one count of securities fraud       | Pled guilty to one count of conspiracy to commit securities fraud and one count of securities fraud | Yes  | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/JUL12/KumarAlimentenInvestingPr.html">http://www.justice.gov/usao/nys/presreleases/JUL12/KumarAlimentenInvestingPr.html</a>   |
| Antil Kumar      | Judge Denny Chin       | 2 years probation, \$2,260,000 forfeiture, \$25,000 fine    | 7/19/2012  | Mckinsey partner       |   |   |   | Yes, Rajaratnam paid \$1.7-\$2 million   | No         | <a href="http://www.justice.gov/usao/nys/presreleases/July19KumarAlimentenInvestingPr.pdf">http://www.justice.gov/usao/nys/presreleases/July19KumarAlimentenInvestingPr.pdf</a>   |

| Name             | Judge                  | Sentence  | Date       | Job                                     | Conduct   | Charges   | Cooperator                                 | Trade personally | Make money          | Source  |
|------------------|------------------------|---|------------|---|---|---|--|------------------|---------------------|---|
| Ahmed Ebrahim    | Judge Paul J. Oetken   | 1 year and 1 day prison, 2 years supervised release, \$183,893 forfeiture, \$10,000 fine  | 10/26/2012 | Associate director of marketing at AT&T | Disclosed inside information about AT&T as consultant for expert networking firm  | Pled guilty to one count of conspiracy to commit securities fraud and wire fraud                    | No (offered to testify but was not called) | No               | Yes, paid \$180,000 | <a href="http://www.justice.gov/usa/nys/pressreleases/ia/nry12/ebrahimainoofplea.html">http://www.justice.gov/usa/nys/pressreleases/ia/nry12/ebrahimainoofplea.html</a>               |
| Drew Brownstein  | Judge Robert Patterson | 1 year and 1 day prison, 3 years supervised release, \$2,405,885 forfeiture, \$7,500 fine | 1/11/2012  | BIG 5 investment hedge fund manager     | Used inside information to purchase Mariner options for the hedge Fund and for other individuals  | No  | Yes  | Yes              | Yes, paid \$180,000 | <a href="http://www.justice.gov/usa/nys/pressreleases/ia/nry12/brownsteinboseintencingpr.pdf">http://www.justice.gov/usa/nys/pressreleases/ia/nry12/brownsteinboseintencingpr.pdf</a> |
| Clayton Peterson | Judge Robert Patterson | 2 years probation, 3 months home confinement, \$400,000 fine                              | 10/11/2011 | Arthur Andersen managing partner        | Provided inside information to Drew Peterson about Mariner acquisition; Drew executed trades  | Pled guilty to one count of conspiracy to commit securities and one count of securities fraud       | No   | No               | No                  | <a href="http://www.justice.gov/usa/nys/pressreleases/ia/nry12/brownsteinboseintencingpr.pdf">http://www.justice.gov/usa/nys/pressreleases/ia/nry12/brownsteinboseintencingpr.pdf</a> |
| Drew Peterson    | Judge Robert Patterson | 3 years probation, \$10,000 fine  | 4/11/2012  | Investment advisor                      | Received inside information from Clayton Peterson and then executed trades; also provided information to one count of conspiracy to commit securities fraud | Pled guilty to one count of securities fraud and one count of conspiracy to commit securities fraud | Yes  | Yes              | Made \$150,000      | <a href="http://www.justice.gov/usa/nys/pressreleases/ia/nry12/brownsteinboseintencingpr.pdf">http://www.justice.gov/usa/nys/pressreleases/ia/nry12/brownsteinboseintencingpr.pdf</a> |

| Name               | Judge                | Sentence   | Date                           | Job  | Conduct  | Charges  | Cooperator | Trade personally | Make money                                    | Source  |
|--------------------|----------------------|--|--------------------------------|--|--|--|------------|------------------|---|---|
| James Fleishman    | Judge Jed Rakoff     | 30 months prison, 2 years of supervised release  | 12/21/2011                     | Sales Manager at Primary Global Research, expert networking firm | Arranged for hedge fund clients to speak with consultants, knowing that consultants would provide confidential information, and disclosed inside information | Convicted after three week trial of one count of conspiracy to commit securities fraud and one count of conspiracy to commit wire fraud  | No         | No               | Yes   | <a href="http://www.justice.gov/usao/nys/pressreleases/September11/feismanjam.pdf">http://www.justice.gov/usao/nys/pressreleases/September11/feismanjam.pdf</a>   |
| Stanley Ng         | Judge Jed Rakoff     | 2 years probation, 400 hours community service, \$6,464 forfeiture, \$2,000 fine                               | 5/9/2012 at Marvell Technology | SEC Reporting Manager  | Provided Jiau and Ngogen with inside information regarding Marvel in exchange for other stock tips   | Plead guilty to one count of conspiracy to commit securities fraud and wire fraud  | No         | No               | No  | <a href="http://www.justice.gov/usao/nys/pressreleases/December11/ngstanleyapr.pdf">http://www.justice.gov/usao/nys/pressreleases/December11/ngstanleyapr.pdf</a>   |
| Winfred Jiau       | Judge Jed Rakoff     | 48 months prison, 2 years supervised release, \$3.12 million forfeiture  | 9/21/2011                      | Consultant at Primary Global Research, expert networking firm    | Provided inside information about Nuvia and Marvell to portfolio managers at hedge funds; received over \$200,000  | Convicted after 2 week jury trial of one count of conspiracy to commit securities fraud and wire fraud and one count of securities fraud | No         | No               | Yes   | <a href="http://www.justice.gov/usao/nys/pressreleases/September11/jiauwinfred.pdf">http://www.justice.gov/usao/nys/pressreleases/September11/jiauwinfred.pdf</a>   |
| Son Ngoc Nguyen    | Judge Jed Rakoff     | 1 year probation, \$6,464 forfeiture   | 4/12/2012                      | Financial analyst at Nuvia                                       | Used inside information to Jiau in exchange for stock tips and traded on two tips  | Plead guilty to one count of conspiracy to commit securities and wire fraud  | Yes        | Yes              | Yes, \$3,200                                  | <a href="http://www.justice.gov/usao/nys/pressreleases/December11/ngstanleyapr.pdf">http://www.justice.gov/usao/nys/pressreleases/December11/ngstanleyapr.pdf</a>   |
| Joseph Skowron III | Judge Denise Cote    | 5 years prison, 3 years supervised release, \$5 million forfeiture, \$5.96 million restitution, \$150,000 fine | 11/18/2011                     | Portfolio manager of FrontPoint Partners                         | Used inside information from Yves Benhamou, a doctor who served as an advisor on a clinical drug trial, to avoid losses                                      | Plead guilty to one count of conspiracy to commit securities fraud and obstruct justice  | Yes        | Yes              | Avoided \$30 million in losses for hedge fund | <a href="http://www.justice.gov/usao/nys/pressreleases/November11/skowronjoseph.pdf">http://www.justice.gov/usao/nys/pressreleases/November11/skowronjoseph.pdf</a>   |
| Yves Benhamou      | Judge George Daniels | 24 days prison time served, 3 years supervised release, \$6 million restitution (jointly with Skowron)         | 12/21/2011                     | Doctor who served as advisor on a clinical drug trial            | Provided inside information about clinical drug trial to Skowron   | Plead guilty to securities fraud, making false statements to the FBI, and two counts of conspiracy                                       | Yes        | No               | Received cash from Skowron                    | <a href="http://www.bloomberg.com/news/2011-12-21/french-doctor-yves-benhamou-gets-sentenced-to-time-served-in-inside-tip-case.html">http://www.bloomberg.com/news/2011-12-21/french-doctor-yves-benhamou-gets-sentenced-to-time-served-in-inside-tip-case.html</a> |

| Name             | Judge                  | Sentence  | Date       | Job                                   | Conduct  | Charges   | Cooperator | Trade personality | Made money                                  | Source  |
|------------------|------------------------|---|------------|---------------------------------------|--|---|------------|-------------------|---|---|
| Michael Kimelman | Judge Richard Sullivan | 30 months prison, 3 years supervised release; \$289,000 forfeiture      | 10/12/2011 | Co-founder of Incremental Capital LLC | Received and traded on inside information from Zvi Goffer  | Convicted after trial of one count of conspiracy to commit securities fraud and two counts of securities fraud  | No         | Yes               | Yes   | <a href="http://www.fbi.gov/news-releases/2011/former-attorney-and-wall-street-professional-michael-kimelman-sentenced-in-manhattan-federal-court-to-30-months-in-prison-for-insider-trading">http://www.fbi.gov/news-releases/2011/former-attorney-and-wall-street-professional-michael-kimelman-sentenced-in-manhattan-federal-court-to-30-months-in-prison-for-insider-trading.pdf</a> |
| Emanuel Goffer   | Judge Richard Sullivan | 3 years prison, 3 years supervised release; \$761,623 in forfeiture     | 10/7/2011  | Hedge fund trader                     | Executed trades based on inside information regarding 3Com and Clear Channel Communications; tried to cover up           | Convicted following jury trial of two counts of securities fraud and one count of conspiracy to commit securities fraud   | No         | Yes               | Made profits of \$750,000                   | <a href="http://www.justice.gov/usao/nys/pressreleases/October11/gofferemanuelsentencing.pdf">http://www.justice.gov/usao/nys/pressreleases/October11/gofferemanuelsentencing.pdf</a>   |
| Zvi Goffer       | Judge Richard Sullivan | 10 years prison, 3 years supervised release; \$10 million forfeiture    | 9/21/2011  | Former Galleon trader                 | Traded on inside information from Cutillo and Santarlas (through Goldfarb) about M&As, including 3Com & Axcam Pharma     | Convicted following jury trial of 12 counts of securities fraud and 2 counts of conspiracy to commit securities fraud; used prepaid cell phones to avoid detection. | No         | Yes               | Earned over \$10 million in illegal profits | <a href="http://www.justice.gov/usao/nys/pressreleases/June11/zvifullarthurhurstenberg.pdf">http://www.justice.gov/usao/nys/pressreleases/June11/zvifullarthurhurstenberg.pdf</a>   |
| Arthur Cutillo   | Judge Richard Sullivan | 30 months prison, 2 years supervised release; \$10 million forfeiture   | 6/30/2011  | Attorney at Ropes & Gray              | Provided M&A information about clients to Goldfarb, who provided to Zvi Goffer in exchange for cash                      | Pled guilty to one count of conspiracy and one count of securities fraud  | Yes        | No                | Yes   | <a href="http://www.justice.gov/usao/nys/pressreleases/December09/santarlasbriefing.pdf">http://www.justice.gov/usao/nys/pressreleases/December09/santarlasbriefing.pdf</a>   |
| Brian Santarlas  | Judge Richard Sullivan | 6 months prison, \$32,500 forfeiture                                    | 11/30/2011 | Attorney at Ropes & Gray              | Delivered inside information from Cutillo and Santarlas about 3Com & Axcam to Zvi Goffer, who then executed transactions | Pled guilty to one count conspiracy to commit securities fraud and one count securities fraud   | Yes        | No                | Yes; received \$35,000 from Goffer          | <a href="http://www.businessweek.com/news/2011-12-02/ex-roperes-gray-lawyer-gets-6-months-in-goffer-tipping-case.html">http://www.businessweek.com/news/2011-12-02/ex-roperes-gray-lawyer-gets-6-months-in-goffer-tipping-case.html</a>   |
| Jason Goldfarb   | Judge Richard Sullivan | 36 months in prison, 3 years supervised release; \$1 million forfeiture | 8/19/2011  | Attorney                              | Provided inside information about Ropes & Gray clients   | Pled guilty to one count conspiracy to commit securities fraud and one count securities fraud   | Seems no   |                   |   | <a href="http://www.justice.gov/usao/nys/pressreleases/August11/goldfarbjasonsentencing.pdf">http://www.justice.gov/usao/nys/pressreleases/August11/goldfarbjasonsentencing.pdf</a>   |

| Name             | Judge                  | Sentence  | Date      | Inb  | Conduct  | Charges  | Cooperator | Trade personally | Make money  | Source  |
|------------------|------------------------|---|-----------|--|--|--|------------|------------------|---|---|
| Anthony Sciaro   | Judge William Pauley   | 3 years probation,<br>\$27,890 fines and<br>forfeiture                      | 8/2/2012  | Diamondback Manager                              | Traded on inside<br>information from Franz<br>Tudor  | Pled guilty to one count<br>of conspiracy and one<br>count of securities fraud   | Yes        | Yes              | Yes   | <a href="http://www.forbes.com/sites/walterpaolo/2012/08/02/fm-diamondback-manager-anthony-sciaro-gets-probation-for-inside-trade/">http://www.forbes.com/sites/walterpaolo/2012/08/02/fm-diamondback-manager-anthony-sciaro-gets-probation-for-inside-trade/</a> |
| Adam Smith       | Judge Jed Rakoff       | 2 years probation,<br>\$105,300 forfeiture,<br>\$15,000 fine                | 6/25/2012 | Trader at Galleon and<br>then own fund           | Traded on confidential<br>information at Galleon   | Pled guilty to one count<br>securities fraud and one<br>count of conspiracy  | Yes        | Yes              | Yes   | <a href="http://www.bloomberg.com/2012/08/21/the-winning-record-of-prosecutors-of-insider-trading/">http://www.bloomberg.com/2012/08/21/the-winning-record-of-prosecutors-of-insider-trading/</a>   |
| Craig Drimal     | Judge Richard Sullivan | 66 months prison, 3 years<br>supervised release, \$11<br>million forfeiture | 8/31/2011 | Trader at Galleon                                | Executed trades based on<br>inside information from<br>Cuttill and Santarlas.  | Pled guilty to five counts<br>of securities fraud and<br>one count of conspiracy   | No         | Yes              | Made \$10 million   | <a href="http://www.nytimes.com/2012/05/26/trajtman-cooperators-smith-granted-two-years-probation.html">http://www.nytimes.com/2012/05/26/trajtman-cooperators-smith-granted-two-years-probation.html</a>   |
| Donald Longueuil | Judge Jed Rakoff       | 30 months prison, 2 years<br>supervised release, \$1,251,685 forfeiture     | 7/29/2011 | Research analyst and<br>portfolio manager at SAC | Obtained inside<br>information from Jisu<br>and caused his hedge<br>fund to execute trades;<br>destroyed hard drive. | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and wire<br>fraud and one count of<br>securities fraud | Yes        | Yes              | <a href="http://www.justice.gov/uao/nys/pressreleases/2011/04/pr1110/galleon-group-trader-craig-drimal-sentenced-to-66-months-in-prison/">http://www.justice.gov/uao/nys/pressreleases/2011/04/pr1110/galleon-group-trader-craig-drimal-sentenced-to-66-months-in-prison/</a> |   |
| Danielle Chiesi  | Judge Richard Holwell  | 30 months prison, 2 years<br>supervised release, \$25,000 fine              | 7/20/2011 | Portfolio manager at<br>New Castle Partners      | Obtained and traded on<br>inside information;  | Pled guilty to three<br>counts of conspiracy to<br>commit securities fraud   | No         | No               | \$1.7 million   | <a href="http://www.justice.gov/uao/nys/pressreleases/2011/04/craig-drimal-to-inside-trading-charges/">http://www.justice.gov/uao/nys/pressreleases/2011/04/craig-drimal-to-inside-trading-charges/</a>   |
| Mark Kurland     | Judge Victor Marrero   | 27 months prison, 2 years<br>supervised release, \$900,000 forfeiture       | 5/21/2010 | Co-founder of New<br>Castle                      | Directed New Castle to<br>execute trades based on<br>inside information<br>received from Chiesi                      | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and one<br>count securities fraud                      | No         | Yes              | <a href="http://www.justice.gov/uao/nys/pressreleases/2010/04/kurlandmarksentering.pdf">http://www.justice.gov/uao/nys/pressreleases/2010/04/kurlandmarksentering.pdf</a>   |   |
| David Plate      | Judge Richard Sullivan | 3 years probation, 6<br>months house arrest,<br>forfeit \$289,000           | 11/2/2011 | Trader at Schockenfeld                           | Purchased 3Com & Axan<br>securities on basis of<br>inside information<br>received from Zvi Goffer                    | Pled guilty to one count<br>of conspiracy and one<br>count of securities fraud   | Yes        | Yes              | Yes   | <a href="http://www.bloomberg.com/news/2011-02/plate-gets-3-years-probation-in-galleon-insider-trading-case.html">http://www.bloomberg.com/news/2011-02/plate-gets-3-years-probation-in-galleon-insider-trading-case.html</a>                                     |

| Name                 | Judge                | Sentence   | Date      | Job  | Conduct   | Charges  | Cooperator | Trade personality | Make money                       | Source  |
|----------------------|----------------------|--|-----------|--|---|--|------------|-------------------|----------------------------------|---|
| Don Ching Trang Chu  | Judge Jed Rakoff     | 2 years probation, \$2,500 fine  | 9/7/2011  | Consultant at Primary Global Research, expert networking firm                          | Arranged for consultants at firm to provide inside information to hedge fund clients                  | Pled guilty to one count of conspiracy to commit securities fraud and one count of conspiracy to commit wire fraud | Yes        | No                |                                  | <a href="http://www.justice.gov/usao/nys/pressreleases/November10/chudonarrest.pdf">http://www.justice.gov/usao/nys/pressreleases/November10/chudonarrest.pdf</a>   |
| Alexander Koval      | Judge Paul Crotty    | 28 months prison, 2 years supervised release, \$1,414,290 forfeiture       | 5/24/2011 | Investment advisor at Northern Trust   | Traded on inside information received from Poteroba, an Executive Director at UBS securities fraud    | Pled guilty to three counts of securities fraud and one count of conspiracy to commit securities fraud             | Yes        | Yes               |                                  | <a href="http://www.justice.gov/usao/nys/pressreleases/November11/kovalalexsentenc.pdf">http://www.justice.gov/usao/nys/pressreleases/November11/kovalalexsentenc.pdf</a>                                   |
| Igor Poteroba        | Judge Paul Crotty    | 22 months prison, 3 years supervised relapse, \$25,000 fine                | 3/21/2011 | Executive director at UBS  | Provided inside information about six companies to Koval in exchange for portion of profits           | Pled guilty to three counts of securities fraud and one count of conspiracy to commit securities fraud             | No         | Yes               |                                  | <a href="http://www.justice.gov/juryinfo/nys/pressreleases/May11/kovalalexsentenc.pdf">http://www.justice.gov/juryinfo/nys/pressreleases/May11/kovalalexsentenc.pdf</a>                                     |
| Daniel Corbin        | Judge Victor Marrero | 6 months prison, 2 years supervised release, \$1 million forfeiture        | 12/9/2012 | Day trader   | Paid for inside information and Bouchareb executed orders on their behalf                             | Pled guilty to one count of securities fraud and one count of conspiracy   | Yes        | Yes               |                                  | <a href="http://www.justice.gov/usao/nys/pressreleases/May11/corbindaneleapaper.pdf">http://www.justice.gov/usao/nys/pressreleases/May11/corbindaneleapaper.pdf</a>   |
| Jamil Bouchareb      | Judge Victor Marrero | 30 months in prison, 2 years supervised release, \$1.15 million forfeiture | 12/9/2012 | Day trader   | Obtained inside information from Devlin and executed trades   | Pled guilty to one count of securities fraud and one count of conspiracy   | Yes        | Yes               |                                  | <a href="http://www.justice.gov/usao/nys/pressreleases/December11/boucharebprinciplesandsentencing.pdf">http://www.justice.gov/usao/nys/pressreleases/December11/boucharebprinciplesandsentencing.pdf</a>   |
| Frederick Bowers     | Judge George Daniels | 3 years probation, \$11,000 forfeiture, \$15,000 fine                      | 9/16/2009 | Sales representative at investment bank  | Shared inside information from Bouchareb with client in exchange for kickback                         | Pled guilty to one count of conspiracy to commit securities fraud and one count securities fraud                   | No         | Yes               |                                  | <a href="http://www.justice.gov/usao/nys/pressreleases/December11/boucharebprinciplesandsentencing.pdf">http://www.justice.gov/usao/nys/pressreleases/December11/boucharebprinciplesandsentencing.pdf</a>   |
| Matthew Devlin       | Judge William Pauley | 3 years probation, \$23,000 forfeiture                                     | 3/23/2012 | Representative at Lehman   | Tipped Bouchareb, Holter and Bowers about pending deals learned of from his wife in exchange for cash | Pled guilty to securities fraud and four counts of conspiracy  | Yes        | No                | Yes                              | <a href="http://www.justice.gov/usao/nys/pressreleases/April10/corbindanele2indictment.pdf">http://www.justice.gov/usao/nys/pressreleases/April10/corbindanele2indictment.pdf</a>                           |
| Erik Holzer          | Judge Victor Marrero | 9 months in halfway house  | 9/20/2009 | Attorney   | Traded on information received from Devlin  | Pled guilty to one count of conspiracy to commit inside trading and one count inside trading                       | Yes        | Yes               |                                  | <a href="http://www.justice.gov/usao/nys/pressreleases/May10/Holzer%20Frick20Plea%20R.pdf">http://www.justice.gov/usao/nys/pressreleases/May10/Holzer%20Frick20Plea%20R.pdf</a>                             |
| Manisha Karunaratika | Judge Jed Rakoff     | 18 months prison, 2 years supervised release, \$35,000 forfeiture          | 9/15/2010 | Account manager at Taiwan Semiconductor networking firm in exchange for \$35,000 fraud | Provided inside information to expert securities fraud and wire fraud                                 | Pled guilty to one count of conspiracy to commit securities fraud and wire fraud                                   | Yes        | No                | Yes; received more than \$35,000 | <a href="http://www.justice.gov/usao/nys/pressreleases/Seeptember11/karunaratikamanishakarunaratika.pdf">http://www.justice.gov/usao/nys/pressreleases/Seeptember11/karunaratikamanishakarunaratika.pdf</a> |

| Name                      | Judge                   | Sentence   | Date            | Job                                      | Conduct   | Charges   | Cooperator | Trade personally               | Make money  | Source  |
|---------------------------|-------------------------|--|-----------------|--|---|---|------------|--------------------------------|---|---|
| <b>Joseph Contorinis</b>  | Judge Richard Sullivan  | 6 years prison, 2 years supervised release, \$12 million forfeiture            | 12/17/2010      | Jefferies Paragon fund manager           | Executed trades based on inside information received from Stephanou   | Found guilty after three week trial of conspiracy to commit securities fraud and seven counts of securities fraud                       | No         | Yes                            | *Yes, made at least \$7 million in profits  | <a href="http://www.bloomberg.com/news/2010-12-17/former-jefferies-fund-manager-gets-six-years-in-7-million-trading-scheme.html">http://www.bloomberg.com/news/2010-12-17/former-jefferies-fund-manager-gets-six-years-in-7-million-trading-scheme.html</a> |
| <b>Nicos Stephanou</b>    | Judge Richard Sullivan  | 19 months prison (time served), \$973,000 forfeiture                           | 12/23/2010      | Investment banker at UBS                 | Gave inside information to Contorinis to exchange inside information about Atheros for stock tips from Ali Farzad | Pled guilty to seven counts of conspiracy to commit securities fraud and one count securities fraud                                     | Yes        | No                             | No  | <a href="http://www.justice.gov/usao/nys/prsreleases/November10/hamiltonsentencenichigpr.pdf">http://www.justice.gov/usao/nys/prsreleases/November10/hamiltonsentencenichigpr.pdf</a>   |
| <b>Ali Harni</b>          | Judge Richard Howell    | 18 months prison, 2 years supervised release, \$50,000 fine                    | 11/8/2010       | Vice president at Atheros Communications | Traded on inside information from Ali Farzad  | Pled guilty to one count of conspiracy and one count of securities fraud  | No         | Received \$2,500 for stock tip | <a href="http://www.justice.gov/usao/nys/prsreleases/October10/contorinispaper.pdf">http://www.justice.gov/usao/nys/prsreleases/October10/contorinispaper.pdf</a>         |   |
| <b>George Paparizos</b>   | Judge Paul Crotty       | 3 years probation, \$22,000 forfeiture, \$10,000 fine                          | 7/1/1995 Friend | Stephanou                                | Pledged guilty to conspiracy to commit securities fraud and one count of securities fraud                         | No  | Yes        | Yes                            | <a href="http://www.justice.gov/usao/nys/prsreleases/March10/moffatrobertplea.pr.pdf">http://www.justice.gov/usao/nys/prsreleases/March10/moffatrobertplea.pr.pdf</a>     |   |
| <b>Robert Moffat, Jr.</b> | Judge Deborah Battis    | 6 months prison, 2 years supervised release, \$50,000 fine                     | 9/13/2010       | Vice president at IBM                    | Provided inside information about IBM to Chiesi   | Pled guilty to one count of conspiracy to commit securities and one count securities fraud  | No         | No                             | No  | <a href="http://www.fbi.gov/news/york/press-releases/2010/nyfo091310.htm">http://www.fbi.gov/news/york/press-releases/2010/nyfo091310.htm</a>   |
| <b>Bonnie Hoxie</b>       | Judge Alvin Hellerstein | 4 months house arrest, 3 years supervised release, 300 hours community service | 2/22/2011       | Assistant to executive at Disney         | Disclosed inside information about Disney to Sebbag for purposes of selling to investors                          | Pled guilty to one count of conspiracy to commit securities fraud and wire fraud  | No         | No                             | No  | <a href="http://www.justice.gov/usao/nys/prsreleases/May10/sebbagymobileapril.pdf">http://www.justice.gov/usao/nys/prsreleases/May10/sebbagymobileapril.pdf</a>   |
| <b>Yonnie Sebbag</b>      | Judge Kimba Wood        | 22 months prison, 2 years supervised release, \$15,000 forfeiture              | 1/28/2011       | Boyfriend of Hoxie                       | Attempted to sell inside information received from Hoxie  | Pled guilty to one count of conspiracy to commit securities fraud and wire fraud  | No         | No                             | No  | <a href="http://www.justice.gov/usao/nys/prsreleases/August10/sebbagyomnileapril.pdf">http://www.justice.gov/usao/nys/prsreleases/August10/sebbagyomnileapril.pdf</a>   |
| <b>David Slaine</b>       | Judge Richard Sullivan  | 3 years probation, 300 hours community service, \$50,000 fine                  | 1/19/2012       | Galleon Group trader                     | Executed trades based on inside information from Franklin   | Pled guilty to securities fraud and conspiracy to commit securities fraud   | Yes        | Yes                            | <a href="http://www.justice.gov/usao/nys/prsreleases/February10/slainedavidpeabody.pdf">http://www.justice.gov/usao/nys/prsreleases/February10/slainedavidpeabody.pdf</a> |   |
| <b>James Gansman</b>      | Judge Miriam Cedarbaum  | 1 year and 1 day prison, 6 months supervised release                           | 2/8/2010        | Partner at Ernst & Young                 | Gave inside information to Murdoch about E&Y clients  | Found guilty of six counts of securities fraud  | No         | No                             | <a href="http://www.fbi.gov/news/york/press-releases/2010/nyfo020810b.htm">http://www.fbi.gov/news/york/press-releases/2010/nyfo020810b.htm</a>                           |   |
| <b>Donna Murdoch</b>      | Judge Miriam Cedarbaum  | 2 years probation, 6 months house arrest, 300 hours of community service       | 7/27/2011       | Keystone Equities Group                  | Traded on inside information received from Gansman  | Pled guilty to 15 counts of securities fraud, one count of obstructing justice and one count of false statements to federal authorities | Yes        | Yes                            | <a href="http://www.fbi.gov/news/york/press-releases/2010/nyfo020810b.htm">http://www.fbi.gov/news/york/press-releases/2010/nyfo020810b.htm</a>                           |   |

| Name               | Judge                  | Sentence   | Date     | Job  | Conduct   | Charges   | Cooperator | Trade personally | Make money | Source  |
|--------------------|------------------------|--|----------|--|---|---|------------|------------------|------------|---|
| Franz Tudor        | Judge Richard Sullivan | 3 years probation,<br>\$56,000 forfeiture,<br>\$20,000 fine            | 6/1/2012 | Galleon trader                             | Traded on inside<br>information received<br>from Anthony Scolaro  | Pled guilty to securities<br>fraud and conspiracy to<br>commit securities fraud   | Yes        | Yes              | Yes        | <a href="http://www.forbes.com/sites/walterpavlo/2012/07/19/former-mckinsey-director-allik-kumar-gets-probation-for-exceptional-cooperation/">http://www.forbes.com/sites/walterpavlo/2012/07/19/former-mckinsey-director-allik-kumar-gets-probation-for-exceptional-cooperation/</a> |
| NOT YET SENTENCED  |                        |  |          |  | Obtained inside<br>information about Dell<br>and Nuvia and shared<br>with each other and fund<br>managers for whom they<br>worked                                     | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and one<br>count of securities fraud  | Yes        | Yes              | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf">http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf</a>   |
| Jesse Tortora      | Judge William Pauley   | Not yet sentenced<br>(checked PACER)                                   |          | Research analyst at<br>Diamondback         | Obtained inside<br>information about Dell<br>and Nuvia and shared<br>with each other and fund<br>managers for whom they<br>worked                                     | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and one<br>count of securities fraud  | Yes        | Yes              | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf">http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf</a>   |
| Spyridon Adondakis | Judge John Keenan      | Not yet sentenced<br>(checked PACER)                                   |          | Research analyst at<br>Global              | Obtained inside<br>information about Dell<br>and Nuvia and shared<br>with each other and fund<br>managers for whom they<br>worked                                     | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and one<br>count of securities fraud  | Yes        | Yes              | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf">http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf</a>   |
| Sandeep Goyal      | Unassigned             | Scheduled for 3/15/2013  |          | Research analyst at<br>Neuberger Berman    | Obtained inside<br>information about Dell<br>and Nuvia and shared<br>with each other and fund<br>managers for whom they<br>worked                                     | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and one<br>count of securities fraud  | Yes        | Yes              | Yes        | <a href="http://nwwreports.com/wp-content/uploads/2012/03/ITLB-feb_2012.pdf">http://nwwreports.com/wp-content/uploads/2012/03/ITLB-feb_2012.pdf</a>   |
| Samir Barrai       | Judge Deborah Batts    | Not yet sentenced<br>(checked PACER)                                   |          | Manager of two hedge<br>funds              | Received inside<br>information from expert<br>networking firm,<br>including from Iau,<br>shared with others,<br>destroyed evidence.                                   | Pled guilty to one count<br>of conspiracy to commit<br>securities and wire fraud,<br>one count of securities<br>fraud, one count of wire<br>fraud, and one count of<br>obstruction of justice | No         | Yes              | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/May11/baraisamsungguysongocpleaspr.pdf">http://www.justice.gov/usao/nys/presreleases/May11/baraisamsungguysongocpleaspr.pdf</a>   |
| Noah Freeman       | Judge Deborah Batts    | Not yet sentenced<br>(checked PACER)                                   |          | Research analyst at SAC                    | Traded inside<br>information about<br>Marvell with jiau and<br>longueuil  | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and wire<br>fraud and one count of<br>securities fraud.   | Yes        | Yes              | Yes        | <a href="http://www.hedge-week.com/2012/02/28/162806/sec-obias-final-judgments-against-jason-plaum-and-walter-simmon">http://www.hedge-week.com/2012/02/28/162806/sec-obias-final-judgments-against-jason-plaum-and-walter-simmon</a>   |
| Jason Pfleum       | Judge Ted Rakoff       | Not yet sentenced<br>(checked PACER)                                   |          | Research analyst for<br>Barai              | Caused Barai Capital to<br>execute trades on basis<br>of inside information   | Pled guilty to one count<br>of conspiracy to commit<br>securities fraud and wire<br>fraud, and one count of<br>securities fraud.  | Yes        | Yes              | Yes        | <a href="http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf">http://www.justice.gov/usao/nys/presreleases/january12/renewantoddetalchargespr.pdf</a>   |
| Anthony Chiasson   | Judge Richard Sullivan | Trial was scheduled to<br>start Oct 29, 2012 -<br>delayed due to Sandy |          | Co-founder of Level<br>Global Investors LP | Obtained inside<br>information about Dell<br>and Nuvia and shared<br>with each other and fund<br>managers for whom they<br>fraud and one count of<br>securities fraud |   |            |                  |            |   |

| Name         | Judge                  | Sentence   | Date | Job   | Conduct   | Charges  | Cooperator | Trade personally | Make money                           | Source  |
|--------------|------------------------|--|------|---|---|--|------------|------------------|--------------------------------------|---|
| Todd Newman  | Judge Richard Sullivan | Trial was scheduled to start Oct 29, 2012 - delayed due to Sandy |      | Portfolio manager at Diamondback Capital Management | Obtained inside information about Dell and Nvidia and shared with each other and fund managers for whom they worked | Pled guilty to one count of conspiracy to commit securities fraud and one count of securities fraud                                |            |                  |                                      | <a href="http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.html">http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.pdf</a>                                |
| Jon Horvath  | Judge Richard Sullivan | Scheduled for March 31, 2013                                     |      | Analyst at SAC Capital Deep Shah                    | Obtained inside information about Dell and Nvidia and shared with each other and fund managers for whom they worked | Pled guilty to one count of conspiracy to commit securities fraud and two counts of securities fraud                               | Yes        | Yes              | Yes                                  | <a href="http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.html">http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.pdf</a>                                |
| Danny Kuo    | Judge Richard Sullivan | Scheduled for March 15, 2012 (checked PACER)                     |      | Analyst at Whittier Trust                           | Obtained inside information about Dell and Nvidia and shared with each other and fund managers for whom they worked | Pled guilty to one count of conspiracy to commit securities fraud and two counts of securities fraud                               | Yes        | Yes              | Yes                                  | <a href="http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.html">http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.pdf</a>                                |
| Hyung Lim    | Judge Richard Sullivan | Scheduled for March 4, 2013                                      |      | Altera Corp executive                               | Gave inside information to Kuo re: Nvidia and Alterra   | Pled guilty to one count of conspiracy to commit securities fraud and one count of wire fraud                                      | Yes        | No               | Yes; received cash payments from Kuo | <a href="http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.html">http://www.justice.gov/usao/nys/presreleases/September12/HorvathJnpteaPR.pdf</a>                                |
| Doug Whitman | Judge Jed Rakoff       | Scheduled for December 20, 2012                                  |      | Ran Whitman Capital                                 | Received and traded on confidential information about Marvel Technology, Google and Polycom.                        | Found guilty after three week jury trial of two counts of conspiracy to commit securities fraud and two counts of securities fraud | Yes        | Yes              | Yes                                  | [newer release] + <a href="http://www.justice.gov/usao/nys/presreleases/February12/WhitmanDougIndictmentPR.pdf">http://www.justice.gov/usao/nys/presreleases/February12/WhitmanDougIndictmentPR.pdf</a> |

| Name                  | Judge                      | Sentence                          | Date       | Job   | Conduct  | Charges   | Cooperator | Trade personally           | Make money                              | Source  |
|-----------------------|----------------------------|-----------------------------------|------------|---|--|---|------------|----------------------------|---|---|
| Karl Motev            | Judge Jed Rakoff           | Not yet sentenced (checked PACER) | 12/14/2010 | Computer chip industry analyst                                | Shared inside information about Marvell with hedge fund clients, including Whitman   | Pled guilty to one count of securities fraud, one count of conspiracy to commit securities fraud  | Yes        | No                         | Yes, received \$12,500 from Whitman     | <a href="http://www.bloomberg.com/news/2012-01/motev-says-he-passed-doug-whitman-marvell-sales-figures.html">http://www.bloomberg.com/news/2012-01/motev-says-he-passed-doug-whitman-marvell-sales-figures.html</a> <a href="http://blogs.wsj.com/idea-is/2010/12/20/karl-motev-the-governments-secret-weapon-in-insider-trading-arrests/">http://blogs.wsj.com/idea-is/2010/12/20/karl-motev-the-governments-secret-weapon-in-insider-trading-arrests/</a> <a href="http://www.stopfraud.gov/o/pacstopfraud/NYS-motev-the-governments-secret-weapon-in-insider-trading-arrests/">http://www.stopfraud.gov/o/pacstopfraud/NYS-motev-the-governments-secret-weapon-in-insider-trading-arrests/</a> |
| Tai Nguyen            | Judge Naomi Reice Buchwald | Scheduled November 8, 2012        |            | Owner of Insight Research, LLC                                | Traded on inside information from reclusive working at Abaxis and disclosed information to Barai and Freeman                   | Pled guilty to one count of securities fraud and wire fraud   | Yes        | No                         | Yes, \$145,000                          | <a href="http://www.sec.gov/litigation/litreleases/2012/lit2401.htm">http://www.sec.gov/litigation/litreleases/2012/lit2401.htm</a> <a href="http://online.wsj.com/article/SB100014240520307624047790590204910520.html">http://online.wsj.com/article/SB100014240520307624047790590204910520.html</a>   |
| Mark Anthony Longoria | Judge Jed Rakoff           | Set for July 1, 2013              |            | Supply chain manager at Advanced Micro Devices                | Provided information about Advanced Micro Devices to employees and clients of expert networking firm in exchange for \$200,000 | Pled guilty to one count of conspiracy to commit securities fraud and wire fraud, one count of securities fraud, and one count false statements | Yes        | No                         | Yes, received \$200,000 for information | <a href="http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.htm">http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.htm</a> , <a href="http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.pdf">http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.pdf</a> <a href="http://www.sec.gov/litigation/litreleases/2011/lit22093.htm">http://www.sec.gov/litigation/litreleases/2011/lit22093.htm</a>   |
| Scott Allen           | Judge Deborah Batts        | Not yet sentenced (checked PACER) |            | Consultant at Mercer  | Disclosed inside information to Bennett in exchange for \$100,000; lied to FBI agents  | Pled guilty to seven counts of securities fraud and one count of conspiracy to commit securities fraud  | No         | No                         | Yes                                     | <a href="http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.htm">http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.htm</a>   |
| John Bennett          | Judge Deborah Batts        | Scheduled for April 23, 2012      |            | Merrill Lynch and film producer                               | Traded on inside information he paid Allen for   | Pled guilty two counts of securities fraud and one count of conspiracy to commit securities fraud   | Yes        | Yes, \$2.6 million         |   | <a href="http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.htm">http://www.justice.gov/usao/nys/prereleases/Marc12/allenscottplea.htm</a>   |
| Walter Shimoan        | Judge Jed Rakoff           | Scheduled July 8, 2013            |            | Director of Business Development at Flextronics International | Provided confidential information about iPhone fraud and one count of securities fraud   | Pled guilty to two counts of conspiracy to commit securities fraud and wire fraud and one count of securities fraud                             | No         | Yes, received \$27,500 fee |   | <a href="http://www.justice.gov/usao/nys/prereleases/JULY12/shimoonwaterplea.pdf">http://www.justice.gov/usao/nys/prereleases/JULY12/shimoonwaterplea.pdf</a>   |

| Name                         | Judge                  | Sentence                                      | Date | Job                                      | Conduct  | Charges   | Cooperator | Trade personally | Make money                            | Source  |
|------------------------------|------------------------|---|------|--|--|---|------------|------------------|---------------------------------------|---|
| <b>Roony Khan</b>            | Judge Jed Rakoff       | Not yet sentenced<br>(checked PACER)          |      | Galleon employee                         | Gave inside information to Rajaratnam and Whitman  | Pled guilty to one count of securities fraud, one count of conspiracy to commit securities fraud, and one count of obstruction of justice | Yes        | Yes              | Yes; admitted to making \$1.6 million | <a href="http://www.sec.gov/litigation/litrelases/2010/lr21732.htm">http://www.sec.gov/litigation/litrelases/2010/lr21732.htm</a>   |
| <b>Daniel Devore</b>         | Judge Jed Rakoff       | Postponed until Dec 2013 for cooperation      |      | Global Supply Manager at Dell            | Provided inside information about Dell and its suppliers to clients of Krishnam's firm in exchange for \$145,000 | Pled guilty to conspiracy to commit securities fraud and  | Yes        | No               | Yes; was paid \$145,750               | <a href="http://www.justice.gov/usao/nys/prsreleases/Dember/01/shimometalarrests.pdf">http://www.justice.gov/usao/nys/prsreleases/Dember/01/shimometalarrests.pdf</a>       |
| <b>All Far</b>               | Judge Robert Patterson | Not yet sentenced<br>(checked PACER)          |      | Co-founder of Spherix Capital hedge fund | Exchanged stock tips for inside information from Harrin  | Pled guilty to securities fraud and conspiracy to commit securities fraud   | Yes        |                  |                                       | <a href="http://www.reuters.com/article/2010/12/16/insider-leadsN163402420101216">http://www.reuters.com/article/2010/12/16/insider-leadsN163402420101216</a>               |
| <b>Richard Choo-Beng Lee</b> | Judge Kevin Castel     | Not yet sentenced<br>(checked PACER)          |      | Co-founder Spherix Capital               | Traded on inside information received through Primary Global   | Pled guilty to one count of securities fraud and one count conspiracy to commit securities fraud  | Yes        | Yes              | Yes                                   | <a href="http://www.justice.gov/usao/nys/prsreleases/February/21/kinnucanjohnarrest.pdf">http://www.justice.gov/usao/nys/prsreleases/February/21/kinnucanjohnarrest.pdf</a> |
| <b>John Kinnucan</b>         | Judge Deborah Batts    | No; Yet sentenced (pled guilty July 25, 2012) |      | Founder of Broadband Research            | Traded on inside info he obtained from employees of public companies   | Pled guilty to conspiracy to commit securities fraud and two counts of securities fraud   | No         | Yes              | Yes                                   |   |

| Name                | Guidelines<br>Range | Sentence                | Position                                       | Personal<br>Profits |
|---------------------|---------------------|-------------------------|--|---------------------|
| Don Chu             | 0-6 months          | 2 years probation       | PGR consultant                                 | \$6,000/month       |
| Craig Drimm         | 70-87               | 66 months prison        | Galleon trader                                 | \$11 million        |
| Jason Goldfarb      | 37-46               | 3 years prison          | Attorney                                       | \$32,500            |
| Donald Longueuil    | 46-57               | 30 months prison        | Hedge fund<br>portfolio manager                | \$1.2 million       |
| Danielle Chiesi     | 37-46               | 30 months prison        | Hedge fund<br>portfolio manager                | ****                |
| Arthur Cuttillo     | 10 Cr. 36 (RJS)     | 30 months prison        | Attorney at Ropes & Gray                       | \$378,608           |
| Alexei Koval        | 30-37               | 26 months prison        | Registered<br>investment adviser               | Over \$1.4 million  |
| Igor Poterba        | 10 Cr. 649 (PAC)    | 22 months prison        | Executive director at UBS                      | \$465,000           |
| Yonni Sebag         | 27-33               | 27 months prison        | ****   | \$15,000            |
| Joseph Contorinis   | 97-121              | 6 years prison          | Hedge fund<br>portfolio manager                | \$7 million         |
| Ali Harry           | 24-30               | 18 months prison        | Executive at Atheros<br>Comms Inc.             | ****                |
| Robert Moffat Jr.   | 0-6 months          | IBM senior<br>executive | Senior managing<br>director at a hedge<br>fund | ****                |
| Mark Kurland        | 30-37               | 27 months prison        | Senior managing<br>director at a hedge<br>fund | \$900,000           |
| Michael Koulouridis | 18-24 months        | 3 months prison         | ****   | \$197,000           |

|                    |                  |               |                     |  |                  |
|--------------------|------------------|---------------|---------------------|--|------------------|
| James Gansman      | 08 Cr. 471 (MGC) | 41-51 months  | 12 months and 1 day | Attorney and partner at Ernst & Young            | \$300,000        |
| Eric Holzer        | 09 Cr. 470 (VM)  | 12-18 months  | 5 years probation   | Tax attorney at Paul Hastings                    | \$100,000        |
| Fredrick Powers    | 09 Cr. 496 (GBD) | 12-18 months  | 3 years probation   | Salesman at Lehman Brothers                      | ****             |
| George Paparizos   | 09 Cr. 400 (PAC) | 6-12 months   | 3 years probation   | ****   | \$25,000         |
| David Tavdy        | 07 Cr. 141 (DAB) | 63-78 months  | 63 months prison    | Trader at Assent LLC                             | \$10.3 million   |
| John Marshall      | 08 Cr. 924 (LTS) | 46-57 months  | 18 months prison    | Vice-chairman of Int'l Securities Exchange board | Over \$1,000,000 |
| Halfz Nassem       | 07 Cr. 610 (RPP) | 97-121 months | 10 years prison     | Investment banker at Credit Suisse               | \$7.5 million    |
| Mitchel Guttenberg | 07 Cr. 141 (DAB) | 78-97 months  | 78 months prison    | Executive director at UBS                        | \$15.8 million   |
| Laurence McKeever  | 07 Cr. 142 (LAP) | 10-16 months  | 2 years probation   | Compliance officer at Assent LLC                 | \$30,000         |
| Ken Okada          | 07 Cr. 144 (DC)  | 30-37 months  | 3 years probation   | Stockbroker at Bear Stearns (Brokerage firm)     | \$300,000        |
| Eugene Plotkin     | 06 Cr. 389 (RJH) | 57-71 months  | 57 months prison    | Goldman Sachs associate                          | \$6.7 million    |
| Ruopian Chen       | 07 Cr. 730 (CM)  | 30-37 months  | 18 months prison    | Vice president at Morgan Stanley                 | \$600,000        |
| Xujia Wang         | 07 Cr. 730 (CM)  | 30-37 months  | 18 months prison    | ****   | shared profits   |
| Randi Collotta     | 07 Cr. 143 (VM)  | 12-18 months  | 60 days prison      | Compliance officer at Morgan Stanley             | \$315,000        |